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March 16, 2009

**AGENDA ITEM 5**

**TO: MEMBERS OF THE PERFORMANCE AND COMPENSATION COMMITTEE**

- I. SUBJECT:** 2008-2009 Performance Plan for Interim Chief Operating Investment Officer (First Reading)
- II. PROGRAM:** Administration
- III. RECOMMENDATION:** Approve the First Reading of the 2008-2009 Performance Plan for Interim Chief Operating Investment Officer

**IV. ANALYSIS:**

The Board of Administration's Compensation Policies and Procedures include a schedule for approving performance plans and reviewing quarterly status reports. Performance plans for covered executives will be presented on a flow basis, as soon as is practical after each position is filled.

In accordance with the policies and procedures, covered executives serving six months or more in a fiscal year are eligible for a pro-rata award. This item presents, for first reading, the performance plan for the Interim Chief Operating Investment Officer appointed in January. The duty statement is attached for information.

**V. STRATEGIC PLAN:**

Under Goal V of the Strategic Plan, CalPERS is committed to sustaining a high performance work culture. This can be accomplished at the highest executive levels through the establishment of methods that provide broad flexibility in the recruitment, retention and compensation of key personnel.

**VI. RESULTS/COSTS:**

The establishment of performance measures is critical to the management of a competitive compensation program for executives at the highest levels of the organization. This, in turn, is critical to the success of the organization. The cost of performance awards that might arise from the recommendations in this item will be funded from existing resources.

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CHRIS O'BRIEN, Chief  
Human Resources Division

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JOHN HIBER  
Assistant Executive Officer  
Administrative Services

Attachments

**2008-2009 Performance Plan for  
Interim Chief Operating Investment Officer**

Duty statement and 2008-2009 Fiscal Year Performance Plan are presented for first reading in the following pages:

**Position**

Interim Chief Operating Investment Officer

**Current Incumbent**

Ken Marzion